(b) Names of companies having in-house R&D units as recognized by Deptt. of Scientific and Industrial Research, on the basis of available information are given in Annexure. [*See* Appendix CLXV, Annexure No. 7].

(c) In order to ensure adequate return on the expenditure incurred on R&D, the following provisions exist :—

(i) Expenditure incurred on R&D is taken into account while determining cost of production of bulk drugs under price control.

(ii) A company is allowed to retain 50% of the reduction in price of a bulk drug achieved through R&D efforts.

(iii) If a company develops a process for a bulk drug through its own R&D efforts or through National Laboratories, from basic stage, and which is significantly different from existing processes and results in cost-effective production, exemption from price control is available for a period not exceeding 5 years from the date of commercial production.

(iv) Higher profitability ceiling for units engaged in approved research and development work relating to new drugs.

(v) As in case of R&D work in other Sectors of Industry, Pharmaceutical Sector also enjoys incentives and support measures such as Income Tax relief, Accelerated Depreciation allowance, Import facility etc.

(d) The Government is not aware of any R&D unit of a Pharmaceutical Company having been closed down recently. However, a few years ago, M/s. Hindustan Ciba Gaigy have discontinued their basic research activity in new drug discovery.

(e) It was not remunerative enough.

(f) The functioning of any R&D unit of a private sector company is dependent upon its Corporate plans and policies. To encourage R&D Activity in Pharmaceutical Sector a number of suggestions are under examination as part of The Review of the Drug Policy.

Pak resolution on J&K

*60. SHRI V. NARAYANASAMY : Will the PRIME MINISTER be pleased to state :

(a) whether Government are aware of the fact that the Pakistan Legislative Assembly has passed an unanimous resolution condemning India on J&K; and

(b) if so, what steps Government are taking to prevent Pakistan from interfering in the internal affairs of our country ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) Government are aware of the resolution passed by Pak National Assembly on October 26, 1992 on Kashmir.

(b) Government have conveyed to Government of Pakistan its concern and regret that the National Assembly of Pakistan had chosen to issue a statement designed to inflame public opinion and which constituted an interference in our internal affairs.

Government constantly monitors all developments having a bearing on India's security environment and takes necessary steps to safeguard India's security and territorial integrity.

Import of raw material for Atomic Power Plants in the country

491. SHRI S. K. T. RAMACHANDRAN : Will the PRIME MINISTER be pleased to state :

(a) whether India denial to sign the agreement on Non Proliferation Treaty